

WASHINGTON COUNTY (Continued)

aside one-third of all lendable funds for mortgages in the City of Hagerstown. In return, the city is reimbursing the county for one-third of the county's cash contribution to the issue. The county has applied to have the entire City of Hagerstown designated as a targeted area.

- d. Purchase price limits on two-to-four family houses are higher. The limit on a four-family house is \$98,507 in targeted areas and \$80,597 elsewhere.
- e. Gross annual family income limits are: \$36,900 for a family of one; \$38,900 for a family of two; with \$1,000 increments allowed for each additional family member.
- f. Excess arbitrage earnings will be rebated to the federal government, but the county may, "at its election, distribute from time-to-time the balance of the Excess Earnings Fund to the Mortgagors, provided that the County obtains an opinion of nationally recognized bond counsel to the effect that such distribution will not affect the exemption of interest on the Bonds from federal income taxation." (Official Statement, p. 34)

The county contribution of \$500,000 is being used to fund a reserve fund, and will be repaid to the County after all bonds are fully paid. When possible, the county will be paid interest at a rate of 10 percent on its contribution.

Up to 25 percent of lendable funds may be used for qualified rehabilitation loans.

Fees: Lenders pay 1 percent nonrefundable commitment fees to the county, for which they are reimbursed in full by the sellers. In addition, lenders only receive a price of 99 percent for mortgages sold to the county. The remaining 1 percent is collected from the sellers. Lenders charge mortgagors a 1 percent fee.

Underwriters: Ferris & Company, Inc. and Butcher & Singer, Inc.

4 lenders to place mortgages on existing houses and 1 lender for new houses.

CENTRAL TEXAS HOUSING FINANCE CORPORATION	\$6.11 million
EAST TEXAS HOUSING FINANCE CORPORATION	\$10.7 million
<u>SOUTHEAST TEXAS HOUSING FINANCE CORPORATION</u>	\$12.7 million

Single Family Mortgage Revenue Bonds, 1981 Series A
(FHA Insured Single Family Mortgage Loans)

- a. Includes initial premiums for bond insurance, special hazard insurance, and mortgagor servicer indemnity bonds, as well as printing expenses, legal fees, and administrative expenses of the issuer.
- b. 5.6 percent participation fees paid by the sellers. 3 percent is for deposit in the Acquisition Fund and 2.6 percent is used to establish the Mortgage Reserve Account.
- c. There are no targeted areas in these districts.

These issues are self-supporting. All loans are 20-year level-payment mortgages insured by the FHA. The mortgage interest rate is 13.75 percent, and in addition the premium for FHA insurance is 0.5 percent, and sellers are charged a total of 5.6 percent participation fees.

In addition to FHA insurance on the mortgage loans, standard and special hazard insurance, the performance of each servicer is insured by a mortgage servicer indemnity bond. Timely payment of debt service on the bonds is insured by American Municipal Bond Assurance Corporation (AMBAC).

Reserves are invested pursuant to long-term investment contracts with the Bank of America and Bankers Trust of New York at rates ranging from 8 percent to 13.55 percent.

Fees: 1 percent origination fee paid by buyers to lenders; 3 percent commitment fee paid by lenders for deposit in the Acquisition Fund; 5.6 percent in total participation fees paid by sellers (1 percent may be paid by real estate broker) to reimburse the lenders for their commitment fees and to fund the reserve accounts.

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CENTRAL TEXAS (Continued)
EAST TEXAS (Continued)
SOUTHEAST TEXAS (Continued)

Underwriters: Howard, Weil, Labouisse, Friedrichs, Inc; Bankers Trust Company; Kidder Peabody and Company, Inc.; Dean Witter Reynolds Inc.

Central Texas HFC: 1 lender; East Texas HFC: 4 lenders; Southeast Texas HFC: 7 lenders.

FAIRFIELD REDEVELOPMENT AGENCY, CALIFORNIA \$22.625 million

Residential Mortgage Revenue Bonds, 1981 Series A

- a. Mortgagors may have the opportunity to get a developer's subsidy which would lower payments during the first three years.
- b. This represents \$514,021 contributed by the Agency to pay for a municipal bond insurance policy.
- c. \$829,021 Agency contribution and \$785,640 developer program participation fees.
- d. There are no targeted areas in the city of Fairfield.
- e. The Agency may raise its purchase price limit to \$85,240 on the basis of its own survey, instead of using the Treasury's "safe harbor" guideline.
- f. \$21 million of bond principal issued. The amount still outstanding is not provided.

The Agency contributed a total of \$829,021: \$514,021 for a municipal bond insurance policy and \$315,000 for reserves. Developer program participation fees of \$785,640 will be deposited in a reserve account.

(Continued)

FAIRFIELD (Continued)

The issuer will deposit all amounts in funds and accounts at First Chicago Corporation, pursuant to an investment agreement. Amounts in the reserve account funded by the Agency contribution--the "Unrestricted Yield Account"--will earn an annual interest rate of 12.5 percent, while all other funds will earn an annual rate of 11.7 percent.

All of the mortgages will be insured by FHA, and the bonds will be insured by AMBAC.

Nearly 90 percent of the purchasers who received mortgages from the Agency's first mortgage bond issue were first-time homebuyers.

Fees: .075 percent origination fees paid by the buyers to lenders; 4 percent program participation fees paid by developers to the Agency.

Underwriters: Stone and Youngberg; Merrill Lynch White Weld Capital Markets Group.

3 participating lenders and 3 participating developers.

NEWARK REDEVELOPMENT AGENCY, CALIFORNIA
(Alameda County, California)

\$21.4 million

Residential Mortgage Revenue Bonds

- a. \$20.375 million senior bonds and \$1.025 million junior bonds.
- b. This is the net interest cost for the senior and junior bonds combined.
- c. The developer may pay a portion of the interest payments on behalf of the mortgagors during the first three years.
- d. \$10,000 developer commitment fee.
- e. There are no targeted areas in Newark.

(Continued)

NEWARK, CALIFORNIA (Continued)

- f. The bond proceeds are only funding mortgage loans for new residences, all of which are being developed as part of "the Project." The project's facilities feature four pools, four jacuzzis, tennis courts, and a recreational center.
- g. 7 percent of the mortgage loan money will be reserved for people with incomes below \$36,600. There is no income limit for the remaining mortgagors.
- h. No financial statement is provided.

\$20.375 million in senior bonds and \$1.025 million in subordinate bonds. Most of the senior bond proceeds will finance the acquisition of mortgages. The developer will purchase the subordinate bonds, the proceeds of which will be used to pay the costs of issuance and discount, and to fund the reserves.

Funds available for payment of debt service are used first to make scheduled payments on the senior bonds and then, to the extent possible, to make scheduled payments on the junior bonds. Interest payments not made on time on the junior bonds accrue for payment when sufficient funds are available. The junior bonds were not rated.

Pursuant to an investment agreement with Bank of America, money held in funds and reserve accounts will earn interest at a rate less than the yield on the senior bonds.

Fees: The developer paid a \$10,000 commitment fee which is non-refundable. Buyers are charged an origination fee of 1 percent. 60 percent of the fee will be retained by the lender, and 40 percent deposited in the revenue fund.

Underwriter: Dean Witter Reynolds Inc.

2 lenders.

TABLE B-1. TITLE 1 HOME-IMPROVEMENT BONDS ISSUED UNDER THE PERMANENT RULES IN 1981

Issuer	Date of Issue	Bond	Net	Interest	Type of Obligation ¹	Bond Rating			
		Issue Amount (In millions of dollars)	Interest Cost (In percents)	Rate on Loans (In percents)		Moody's	S&P's		
States									
Arkansas HDA	12/1/81	16.000	13.07	14.0	LO	A	A		
Minnesota HFA	12/1/81	52.625	12.76	3-14.5 ^a	GO	A1	A+		
New Jersey MFA	10/1/81	15.075	13.36	14.65	GO	A	A		
Wisconsin HFA	11/1/81	9.990	13.69	14.0 ^a	SO	A1	A+		
Counties									
Allegheny RA, PA	10/1/81	7.500	12.95	14.0 ^a	LO	A	A		
Cities									
Chicago, IL	12/1/81	20.000	13.52	13.0 ^a	LO	A	A		
Philadelphia RA, PA	12/1/81	33.000	13.70	14.0 ^a	LO	A	A		

Issuer	Loans	Reserves	Percentage Application of Total Funds					Funds from Other Sources (In mil- lions of dollars)	Other Federal Sub- sidy
			Loan Insurance Fund or Reserve	Loan Acquisition Costs	Dis- count	Costs of Is- suance	Capital- ized Interest		
States									
Arkansas HDA	86.2	7.7	1.3	1.6 ^a	2.7	0.5	0.0	0.85 ^b	--
Minnesota HFA	84.7	8.9	0.8	2.2	2.2	0.3	0.8	6.4 ^b	--
New Jersey MFA	88.1	6.2	0.2	2.0	2.6	0.9	0.0	1.0 ^a	--
Wisconsin HFA	80.5	13.5	2.4	0.7	2.9 ^b	b	0.0	3.9 ^c	--
Counties									
Allegheny, PA RA	84.6	8.2	1.0	2.0	2.2	1.9	0.0	1.6 ^b	CDBG
Cities									
Chicago, IL	84.6	10.0	1.2	0.0 ^b	2.3	1.0	0.8	5.0 ^c	CDBG
Philadelphia, PA RA	82.7	11.8	0.8	1.7	2.3	0.6	0.0	5.0 ^b	CDBG

(Continued)

TABLE B-1. (Continued)

Issuer	Percentage of	Income Limits (In thou- sands of dollars)	Recipi- ent of Excess Arbi- trage ²	Issuer's Other Outstanding Bonds (In millions of dollars)				Issuer's Fund Bal- ance (In millions of dollars)
	Lendable Funds Set Aside for Target Areas							
				Single- Family	Multi- Family	Home Improve- ment	Other	
States								
Arkansas HDA	4.1	40 ^c	M	297.7	0.0	0.0	0.0 ^d	12.8 ^e
Minnesota HFA	4.2	24	T	402.6	510.2	113.7	0.0	10.0 ^c
New Jersey MFA	20.0	b	T	417.0	0.0	122.7	0.0	6.9 ^c
Wisconsin HFA	--	d	--	98.2	338.7	24.9	0.0 ^e	0.6 ^f
Counties								
Allegheny RA, PA	5.9	30 ^c	--	0.0	0.0	8.5	0.0 ^d	0.2 ^e
Cities								
Chicago, IL	16.8	37 ^d	M	--	--	--	--	--
Philadelphia RA, PA	20.0	c	M	--	--	--	--	--

-- Information not available in official statement.

1. Obligation is of the issuer.

LO = limited obligation
SO = special obligation
GO = general obligation

2. T = U.S. Treasury

M = Mortgagors

FOOTNOTES TO INDIVIDUAL ISSUES FOR TABLE B-1

ARKANSAS HOUSING DEVELOPMENT AGENCY

\$16 million

Home Improvement Loan Revenue Bonds, 1981 Series A

- a. This represents moneys to pay lenders' origination fees. Other initial loan costs are charged to the borrowers.
- b. Contribution to the issue from the Agency's general funds.
- c. There is an additional \$2,000 allowance for each dependent.
- d. In addition, the issuer has \$28.8 million in construction loan notes outstanding.
- e. As of June 30, 1981, audited.

The Agency is contributing \$850,000 from its general fund to the issue for general purposes.

The Agency will pay lenders loan origination fees of \$100.

48 lenders.

MINNESOTA HOUSING FINANCE AGENCY

\$52.625 million

State Assisted Home Improvement Program Bonds, 1981 Series A

- a. Interest rates vary with the borrower's income, and they range from 3 percent for those with incomes below \$6,000 up to 14.5 percent for those with incomes between \$18,000 and \$24,000. The weighted average interest rate is expected to be about 10.9 percent.

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MINNESOTA (Continued)

- b. \$6.2 million state appropriation to be used to fund totally the reserve fund (\$5.2625 million) and to purchase loans (\$937,500). \$0.2 million in additional contributions to purchase loans.
- c. As of June 30, 1981, balance in the General Reserve Account was \$9.995 million.

Minnesota has a longstanding policy of appropriating funds for the Agency. It has, since the Agency was formed, appropriated a total of \$147.7 million for various programs.

\$5.2625 million of the state appropriation of \$6.2 million will fund totally the reserve fund. The remaining portion of the appropriation will finance \$937,500 of loans. Although the average interest rate on the loans will be below the interest rate on the bonds, the state contribution will bring the assets up to 107 percent of bond principal.

NEW JERSEY MORTGAGE FINANCE AGENCY

\$15.075 million

Second Home Improvement Loan Program Revenue Bonds
1981 Series A

- a. Contribution from the Agency's General Fund.
- b. No income limit is specified in the official statement, but loans may be made only to low- or moderate-income people.
- c. Unrestricted General Fund balance, as of August 31, 1981. \$1 million is deposited in the reserve account for these bonds.

Agency contribution of \$1.03 million; \$1 million to fund totally the reserve account, \$5,000 for loan acquisition costs, and \$25,000 to fund the loan insurance account.

Housing Rehabilitation Loan Revenue Bonds, 1981 Series A

- a. Preliminary, subject to change.
- b. The percentage for costs of issuance is included in the percentage for discount.
- c. Excess program revenues of \$3.7 million and legislative appropriations of \$231,000.
- d. Income limits are generally 120 percent of county median income, but are 140 percent of median for "reinvestment neighborhoods."
- e. In addition, the issuer has outstanding \$63.5 million of housing revenue bond anticipation notes and \$36 million of construction loan notes.
- f. As of June 30, 1981, audited.

The contribution of \$3.9 million is being used to finance loans, augment the reserve funds, and pay the costs of loan acquisition. The \$3.9 million contribution comes from a \$5.8 million legislative contribution made in 1978 and earnings on that contribution, and earnings from the proceeds of previously issued bonds. The 1981 bonds are issued under the same general resolution as \$24.8 million of previously issued bonds. Loans and other investments made from bonds issued under the resolution back all of the bonds.

The Authority plans to offer loans at an interest rate of 14 percent, but if Community Development Block Grant funds or other funds become available, the interest rate on some of the loans made to low-income people will be subsidized.

REDEVELOPMENT AUTHORITY OF ALLEGHENY COUNTY

\$7.5 million

Home Improvement Loan Revenue Bonds, 1981 Series A

- a. Some loans to borrowers of low and moderate income may bear an interest rate of 6 percent. These lower interest rates are subsidized by Community Development Block Grant funds.
- b. A portion of the county's CDGB funds.
- c. There is a \$1,000 allowance for each dependent. This limit is for the 14 percent loans. For the 6 percent loans, the income limits follow the Section 8 required limits.
- d. The Authority issued \$8.95 million in construction loan notes in 1980.
- e. As of March 31, 1981, audited.

The 1981 Series A bonds are issued on a parity with a prior issue of \$8.5 million made under the same indenture.

The county has allocated CDBG funds to the issue as follows: \$950,000 for acquisition of loans; \$180,000 for loan purchase expenses; \$375,000 for costs of issuance and underwriters' fees; and \$95,000 for loan insurance.

CITY OF CHICAGO, ILLINOIS

\$20 million

Home Improvement Loan Revenue Bonds, 1981 Series A

- a. Some loans will be subsidized to lower their interest rates to 5 percent or 9 percent.
- b. The loan acquisition costs percentage is included in the percentage for loan purchases.
- c. Community Development Block Grant funds.

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CITY OF CHICAGO (Continued)

- d. Income limits vary depending on the size of the household and whether the house is located in a targeted area. The interest rate on loans for houses in targeted areas will be 5 percent of families with incomes below \$13,350 (\$23,800 for a family of eight), and 9 percent for families with incomes below \$18,350 (\$32,750 for a family of eight). The income limits for regular 13 percent loans, which can be made for houses located anywhere in Chicago, range from \$25,050 to \$37,500, depending on household size.

\$5 million of Community Development Block Grant funds have been contributed to the issue to purchase loans (\$3.6 million), to fund half of the Capital Reserve Fund (\$1.2 million), and to fund half of the Loan Reserve Fund (\$154,387). CDBG funds will be used to subsidize the interest rates on loans for houses in targeted areas from 13 percent to 5 percent or 9 percent.

REDEVELOPMENT AUTHORITY OF
THE CITY OF PHILADELPHIA

\$33 million

Home Improvement Loan Revenue Bonds, 1981 Series A

- a. Community Development Block Grant funds will be used to subsidize some loans to interest rates below 14 percent.
- b. Community Development Block Grant funds.
- c. For 14 percent loans, the income limit is 120 percent of median income for the Philadelphia SMSA. For loans with lower, subsidized interest rates, the income limit is 80 percent of area median income.

\$5,000 of Series AA \$100 bonds are being issued concurrently.

\$5 million of Community Development Block Grant funds have been contributed to the issue for general purposes. The funds will also subsidize interest rates for some loans.

TABLE C-1. SAMPLE OF BONDS ISSUED FOR RENTAL HOUSING IN LATE 1981

Issuer	Dated	Net Interest Cost (In percents)	Amount of Issue (\$ millions)	Funds from Other Sources (\$ millions)	Percentage Application of Funds				Capital- ized Interest	Type of Obliga- tion 1	Type of Program 2
					Mortgages	Reserves	Discount	Cost of Issuance			
<u>States</u>											
California HFA	12/1/81	13.04 ^a	29.3	0 ^b	84.53	12.00	3.00	0.48	0	S0	Direct \$8 Loans ^c
Massachusetts HFA	12/1/81	12.06	47.410	2.620 ^a	84.67 ^b	12.49	2.28	0.56	0	S0	Direct \$8 Loans
Michigan State HDA	11/1/81	13.07	40.0	0	83.72	13.30	2.67	0.31	0	G0	Direct \$8 loans
New Jersey HFA	12/1/81	11.059	65.715	b	b	--	--	--	--	G0	Direct \$8 loans
State of Oregon	12/1/81	13.074	18.175	0	80.20	15.00	3.29	0.58	0.93	S0	Direct \$8 loans
<u>Cities and Counties</u>											
<u>Arizona</u>											
Tucson, IDA	12/1/81	11.50	54.150	1.074 ^a	84.82	11.45	2.55	0.95	0.23	L0	L to L
<u>Arkansas</u>											
Little Rock RHFB	12/1/81	11.09	30.815	0.268 ^a	83.65	12.90	2.48	0.97 ^b	0	L0	Collateral- ized L to L
<u>Florida</u>											
Clay County HFA	11/15/81	11.86	12.0	0	85.00	9.59	3.50	1.91 ^a	0	L0	Collateral- ized L to L
St. John's Co. HFA	11/15/81	12.62	20.0	0	85.55	9.18	3.47	1.81	0	L0	L to L
<u>Texas</u>											
Denton County HFC	11/1/81	11.69	14.92	0.13 ^a	83.66	12.89	2.48	0.97 ^b	0	L0	Collateral- ized L to L

-- Information not available from official statement.

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1. Obligations are always of the issuer. For instance, the California bonds are special obligations of the California Housing Finance Agency, and the Oregon bonds are special revenue obligations of the state of Oregon. L0 = limited obligation, G0 = general obligation, and S0 = special obligation.
2. L to L stands for loans to lenders.

TABLE C-1. (Continued)

Issuer	Percent of Units for Low-Income Tenants	Prepayment Penalty (as percent of principal)	Other Federal Subsidies	Bond Ratings		Number of Lenders	Other Bonds Outstanding			Fund Balance ³ (\$ millions)
				Moody's	S&P's		Single-Family (\$ millions)	Multifamily (\$ millions)	Other (\$ millions)	
<u>States</u>										
California HFA	100 ^d	---	\$8	A1	A+	---	89.585	223.330	398.590 ^e	62.027 ^f
Massachusetts HFA	100 ^c	---	\$8	A1	A+	None	0	1,114.605	d	33.647 ^e
Michigan State HDA	100 ^a	0-3	\$8	cA1	A+	None	234.240 ^b	635.135 ^b	443.915 ^b	51.336 ^c
New Jersey HFA	95 ^c	---	\$8	cA1	AA	None	0	1,165.72 ^d	---	50.487 ^e
State of Oregon	100 ^a	b	\$8	cA1	A+	None	278.010	91.100	23.025 ^c	20.777 ^d
<u>Cities and Counties</u>										
<u>Arizona</u>										
Tucson, IDA	20 or 30 ^b	0-2.5 ^c	None ^d	---	AAA	6	---	---	---	---
<u>Arkansas</u>										
Little Rock RHFB	20 ^c	0-4 ^d	None	---	AAA	2	---	---	---	---
<u>Florida</u>										
Clay County HFA	20 ^b	0-5 ^c	None	A1	---	1	---	---	---	---
St. John's Co. HFA	20	0-5 ^a	None	A1	---	3	---	---	---	---
<u>Texas</u>										
Denton County HFC	20 ^c	0-4 ^d	None	---	AAA	2	---	---	---	---

3. From Balance Sheet.

FOOTNOTES TO INDIVIDUAL ISSUES FOR TABLE C-1

CALIFORNIA HOUSING FINANCE AGENCY

\$29.3 million

Multi-Unit Rental Housing Revenue Bonds, 1981 Series C

- a. Canadian interest cost.
- b. The California Legislature appropriated \$20 million to create a supplementary reserve account to be used to secure all bonds, including these, issued by the Agency.
- c. Loans may be financed directly by the Agency or through private lending institutions.
- d. The housing developments are all to be \$8.
- e. As of December 16, 1981. Homeownership and home improvement revenue bonds for mortgage and property improvement loans in neighborhood and preservation areas throughout California. The Agency also has \$195 million of short-term notes outstanding, which are not included in this table.
- f. Unaudited, September 30, 1981. Includes \$20 million appropriated by the State.

These bonds are secured on a parity with the other outstanding multi-unit rental housing revenue bonds of the Agency, under the same indenture.

MASSACHUSETTS HOUSING FINANCE AGENCY

\$47.41 million

Residential Development Bonds Issue II, 1981 Series A
(Section 8 Assisted)

- a. \$2.620 million has been appropriated from unrestricted funds of the Agency to the Capital Reserve Fund.

(Continued)

MASSACHUSETTS (Continued)

- b. Mortgages constitute 84.67 percent of all funds, including the Agency appropriation, but 89.35 percent of bond proceeds.
- c. All projects to be \$8.
- d. The Agency had \$223.577 of construction and bond anticipation notes outstanding on September 30, 1981. These are not included in these totals.
- e. Total unrestricted fund balances for all Agency programs were \$33,647,000 as of June 30, 1981.

Bonds all mature on or before October 1, 2010, but mortgages are expected to have terms of 32 years. Bondholders have the right to tender the option bonds (due October 1, 2009) at par on October 1, 1986 and each October 1 thereafter. Crocker National Bank provided a letter of credit under which it will cover, under certain circumstances, option bonds which are tendered.

The agency collections a financing fee from each mortgagor of 2 percent of loan principal and an annual servicing fee of 1/2 of 1 percent of principal.

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

\$40 million

Section 8 Assisted Mortgage Revenue Bonds, 1981
Series III

- a. All units will be \$8 units and hence occupied by low-income tenants.
- b. Bonds outstanding as of November 1, 1981. Amounts listed here as single-family or multifamily bonds were clearly identified as such in the official statement. The "other" category includes \$35.140 million identified as home improvement bonds and \$408.775 million that includes both single-family and multifamily housing development bonds with no breakdown speci-

(Continued)

MICHIGAN (Continued)

fied. In addition, the Authority has \$25 million of short-term notes outstanding, which are not included in this table.

- c. Fund balances are due in part to amounts appropriated by the State for a variety of purposes over the 1968-81 period. In addition, only \$1.8 million is not pledged to bond issues or restricted for special use. The Authority has in its portfolio delinquent mortgages with an unpaid principal balance of \$23.802 million. Fund balances are invested in some illiquid instruments, such as mortgages.

These bonds rank on a parity of lien with the \$635.135 million of other Section 8 bonds outstanding. The Authority charges mortgagors a financing fee of 3 percent of loan principal, a nonrefundable loan assessment fee of 1.5 percent, and a special fee of up to 2 percent.

NEW JERSEY HOUSING FINANCE AGENCY

\$67.715 million

Section 8 Bonds, 1981 Series B

- a. Bond proceeds will finance the \$8 projects, two of which will be financed partly with proceeds from a prior bond issue. The state has previously appropriated funds to the agency (apparently expecting to be repaid eventually), and the agency director is required annually to advise the Governor of shortfalls in reserve accounts. The state may (but does not have to) appropriate funds to bolster the accounts.
- b. Not available from the official statement.
- c. At least 95 percent of the units must be rented to very low-income families (those with incomes under 50% of area median income).

Tenants pay 30 percent of their incomes as rent; the federal government pays the remainder. Monthly rents on similar units currently financed by the agency are: \$441 for a 1 BR; \$711 for a 4 BR apartment.

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NEW JERSEY (Continued)

The effective interest rate on mortgage loans is expected to be 12.5 percent. The Agency will collect 2.5 percent of principal from each mortgagor at loan closing.

Application of Proceeds of the 1981 Series B Bonds

For deposit in the Escrow Fund	\$47,489,450
For deposit in Housing Finance Fund	7,303,078
Allowance for Underwriters' Discount	<u>1,807,163</u>
Maximum Offering Price to Public	<u>\$56,599,691</u>
Discount to the Public	<u>9,115,309</u>
Principal Amount of Issue	\$65,715,000

- d. As of October 1, 1981. In addition, the Agency had outstanding \$34 million in short-term construction notes.
- e. As of April 30, 1981, unaudited. Of the \$50.487 million in fund balances, \$28.706 million is restricted under bonds and obligations resolutions, \$385,000 is pledged for mandatory retirement of bonds and obligations, and \$21.396 million is for the Administrative Fund, which is being lent to assist financially troubled projects.

STATE OF OREGON

\$18.175 million

Housing Finance Revenue Bonds
(Assisted or Insured Multi-Unit Program)
1981 Series B

- a. Agency expects to use all bond proceeds for eight \$8 projects, so all tenants would be low income. If any project turns out not to be \$8 assisted, at least 20 percent of its units must be held for low-income tenants.
- b. Expect all projects to have initial HUD \$8 contract term of 20 years.

(Continued)

OREGON (Continued)

- c. Bonds outstanding as of December 1, 1981. \$23.025 million of general obligation bonds of the state is outstanding for housing for the elderly.
- d. Unaudited, as of September 30, 1981. The state of Oregon has contributed capital of \$110,098. Of the remaining \$20.667 million retained earnings, only \$2.256 million is unreserved.

These bonds are equally and ratably secured with \$78.495 million in bonds outstanding that was issued under the same indenture. The Governor may note deficiencies in the Capital Reserve Account and the state may appropriate (but is not legally bound to do so) funds to make up the deficiencies. Multifamily bonds issued thus far have financed 2,905 units--1,557 elderly units, 1,328 family units, and 20 group care units for the mentally retarded.

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE CITY OF TUCSON, ARIZONA

\$54.15 million

Loans-To-Lenders Multifamily Housing Revenue Bonds

- a. Commitment fees paid by lenders range from 0 percent to 2.75 percent of principal, depending on location of the project. (Official Statement, p. 7)
- b. In "priority areas," 20 percent of units must be reserved for low-income tenants; in other areas, 30 percent of units must be reserved for low-income tenants.
- c. Amount of penalty depends on date of prepayment.
- d. No federal subsidy is mentioned. \$5.2 million of the loan fund is being set aside for loans in a downtown redevelopment area, to be administered by a private nonprofit corporation, the Downtown Development Corp.

Owners must pledge to maintain all units as rental until their loan is fully paid, or until October 1, 1989 (whichever is later).

(Continued)

TUCSON, ARIZONA (Continued)

In addition, the requirement that 20 percent of units must be rented to low-income tenants for 20 years is a covenant that will run with the land. The Authority has bought a letter of credit from the Bank of America National Trust and Savings Association.

Lender loan notes will have 11.875 percent initial rate; interest rates on mortgages must not exceed 12.875 percent. Lenders may charge owners: pro rata share of lenders commitment fee, origination fee up to 2 percent of loan principal, and other customary fees.

CITY OF LIITLE ROCK, ARKANSAS

\$30.815 million

Residential Housing Facilities Board
Collateralized Loans-To-Lenders Housing Revenue Bonds
1981 Series A

- a. Lender commitment fees equaling 1 percent of loan principal.
- b. "Includes payment of \$72,000 to Citibank, representing the initial Collateral Purchase Agreement Fee, which includes the initial fee to be paid to the Evaluator." (Official Statement, p. 4)
- c. Each developer has to covenant to keep at least 20 percent of units available for rental to low-income tenants for at least 20 years. This is a deed restriction and "such covenant runs with the land and will bind the Developer and any subsequent owners of the Development for a period of 20 years . . ." (Official Statement, p. 29) In the event of violation, the Board has the right to sue.
- d. No prepayments allowed before 1987. Penalties thereafter depend on date of prepayment.

The lender loans are general obligations of the lenders, secured by collateral of 125-150 percent of the lender loan amount. If a developer loan is in default, Citibank can purchase

(Continued)

LITTLE ROCK (Continued)

the pledged collateral on behalf of the Board. The longest bonds mature in 11 years.

The interest rate on the lender loans is 11.45 percent; the rate on developer loans will not exceed 12.45 percent.

HOUSING FINANCE AUTHORITY OF CLAY COUNTY, FLORIDA

\$12 million

Collateralized Loans-To-Lenders Housing Revenue Bonds
1981 Series A

- a. Of the 1.91 percent, 1.50 percent is described as "cost of issuance," and 0.41 percent is a program fee to the issuer.
- b. 20 percent of the units must be made available to low- and moderate-income people, and the remainder must be rented to people whose incomes are less than 150 percent of the county's median income. Annual rents on the units may not exceed 30 percent of the respective income ceiling.
- c. No loan may be prepaid before November 15, 1986. Thereafter, depending on the date of prepayment, the penalty ranges from 0 percent to 5 percent.

Although these bonds all mature on or before May 15, 1991, the developers covenant to keep 20 percent of the units available for low- and moderate-income families for 20 years. In addition, for this entire period, the low- and moderate-income units must be "similar to and intermingled with all other units in the Project, and the tenants will enjoy equal access to all common facilities of the Project." (Official Statement, p. 14)

HOUSING FINANCE AUTHORITY OF ST. JOHN'S COUNTY,
FLORIDA

\$20 million

Collateralized Loans-To-Lenders Housing Revenue Bonds
1981 Series A

- a. Amount of prepayment penalty depends on date of prepayment.

There are no outside contributions. The bonds are collateralized loans to lender bonds, backed by mortgage loans, collateral and the general obligation of the lending institutions.

Lenders are allowed to charge developers origination or commitment fees of up to 4.1 percent of loan principal. They may also charge servicing and other customary fees.

DENTON COUNTY HOUSING FINANCE CORPORATION,
TEXAS

\$14.92 million

Collateralized Loans-To-Lenders Housing Revenue Bonds
Series 1981 A

- a. Lender commitment fees equaling 1 percent of loan principal.
- b. "Includes payment of \$34,875 to Citibank, representing the initial Collateral Purchase Agreement Fee, which includes the initial fee to be paid to the Evaluator." (Official Statement, p. 3)
- c. 20 percent of units must be rented to low income tenants (or held vacant) for 20 years. Until the later of 1987 and the time the note is repaid, 90 percent of the units must be rented to "qualifying tenants," initially designated to be families with adjusted gross incomes under \$37,500. Each development must remain rental for at least 20 years.
- d. No prepayments before 1987. Thereafter, the prepayment penalty depends on date of prepayment. Covenant as to 20 percent low-income units runs with the land.

(Continued)

DENTON COUNTY (Continued)

The interest rate on lender loans is 11.93 percent; the rate on developer loans is 12.93 percent. Citibank agrees to a 14.17 percent interest rate on money in the Capital Reserve Fund.

Lender loans are general obligations of lenders, backed by collateral of 125-150 percent of loan principal that will be sold to Citibank in the event of default.

The longest bond matures in 10 years.



